



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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FEDERAL RESERVE SHOULD PAUSE TO EVALUATE IMPACT OF TIGHTENING

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WASHINGTON, D.C. – The Federal Reserve should refrain from further increases in interest rates until it has fully evaluated the impact of its three rate increases to date in the context of low inflation, Vice Chairman Jim Saxton said today. Today the Federal Reserve announced it was raising the federal funds rate 0.25 percent to 1.75 percent. Saxton noted that the latest information on the leading indicators of inflation - long-term interest rates, commodity prices, and the foreign exchange value of the dollar - taken together show that inflation is under control. In addition, the recent core CPI and PPI data also reflect price stability.

“The Fed’s action today was widely expected, and I hope it completes the round of interest rate increases this year,” Saxton said. “Leading market price indicators of inflation are well under control, and so long as this is the case there is no pressing need for further Fed action in the near future,” Saxton concluded.

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